

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

Alchemy Wellness, LLC
dba Grip Cannabis of Michigan
License No.: GR-C-001413

ENF No.: 24-00823

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 30, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana class C grower facility license (GR-C-001413) of Alchemy Wellness, LLC dba Grip Cannabis of Michigan (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.209(5), R 420.209(6)(a)(i), R 420.209(6)(a)(ii), R 420.209(6)(b), R 420.209(9), R 420.209(11), R 420.209(12), R 420.210(2), R 420.303(2), and R 420.303(3).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the formal complaint. Therefore, the executive director finds that all of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.209(5), R 420.209(6)(a)(i), R 420.209(6)(a)(ii), R 420.209(6)(b), R 420.209(9), R 420.209(11), R 420.209(12), R 420.210(2), R 420.303(2), and R 420.303(3).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of four hundred and 00/100 dollars (\$400.00). This fine shall be paid within 30 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA).

Instructions on how to make online payments can be found under the Tips for

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Licensees bulletin section at www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with enforcement number “24-00823” and license number “GR-C-001413” clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

2. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
3. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to CRA-CSS@michigan.gov.
4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
5. If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 420.808.
6. Upon timely compliance of the terms of this order by Respondent, the matters set forth in the formal complaint shall be deemed resolved and closed subject to this Consent Order.

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This order shall be effective 30 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 1/24/2025

By: Brian Hanna

Digitally signed by Brian Hanna
DN: cn = Brian Hanna email = hannab@michigan.gov c = US o = CRA ou = CRA
Date: 2025.01.24 15:55:30 -0500

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. The facts alleged in the formal complaint are true and constitute a violation of the administrative rules promulgated under the MMFLA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, administrative rules promulgated thereunder, and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, to require the CRA to prove the violations set forth in the formal complaint by presentation of evidence and legal authority, and to present a defense to the violations.
3. The parties considered the following in reaching this agreement:
 - a. Respondent stated heavy rains and flooding caused a delay applying statewide monitoring system (Metrc) tags to marijuana plants.
 - b. Respondent stated heavy rains and flooding damaged some of the fiberoptic cable for its video surveillance system and caused outage issues for nine surveillance cameras.
 - c. The CRA RA observed evidence of washout and other damages from recent flooding during the CRA investigation visit.
 - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

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- 4. The CRA’s centralized services director or her designee must approve this proposed agreement before it is forwarded to the CRA’s executive director or his designee for review and issuance of the above consent order. The parties reserve the right to proceed to an administrative hearing without prejudice to either party, should the CRA’s centralized services director, executive director, or their designees reject the proposed consent order.

By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

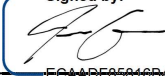
AGREED TO BY:

Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2025.01.17 14:11:30 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

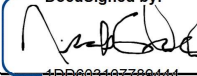
Dated: 1/17/2025

AGREED TO BY:

Signed by:

E0AADF85616D46D...

Joseph Gordhamer, Authorized Officer
on behalf of Respondent
Alchemy Wellness, LLC.

Dated: 1/13/2025

DocuSigned by:

1DB803107780444...

Nickolas Galendez, P80184
Attorney for Respondent

Dated: 1/13/2025

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

Alchemy Wellness, LLC
dba Grip Cannabis of Michigan
License No.: GR-C-001413

ENF No: 24-00823

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Alchemy Wellness, LLC (Respondent) alleging upon information and belief as follows:

1. The CRA is authorized under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MMFLA and the administrative rules promulgated thereunder, take disciplinary action to prevent such violations, and impose fines and other sanctions against applicants and licensees that violate the MMFLA or administrative rules.

2. Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the CRA's authority to impose sanctions on the license.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana class C grower facility in the state of Michigan.

4. Respondent operated at 17853 Donnell Lake Street, Vandalia, Michigan 49095, at all times relevant to this complaint.

5. Following an investigation, the CRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

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- a. On August 1, 2024, three CRA Regulation Officers (ROs) and a CRA Regulation Agent (RA) conducted a pre-harvest inspection at Respondent's outdoor grower facility and found 632 mature plants without statewide monitoring system (Metrc) tags.
 - i. 216 untagged plants in two greenhouses were 21 inches tall.
 - ii. 300 untagged plants in small black pots outside of the greenhouses were more than 21 inches tall.
 - iii. 110 untagged plants in white pots near the cultivation fields were more than 21 inches tall.
 - iv. 6 untagged plants in the last row on the east side of the cultivation fields were more than 21 inches tall.
- b. Respondent's compliance manager, Z.C., demonstrated that Respondent had valid Metrc tags for all of the 632 mature plants. Respondent's employee, C.L., stated on July 16, 2024, a storm caused flooding, washouts and damage to the environment. C.L. further stated it took two weeks for the water to recede, and that prevented attaching the tags.
- c. The RA observed evidence of prior washouts and flooding on the licensed premises; however, all areas with plants were dry and traversable during the inspection, which was 2 days after C.L. stated the water had receded.
- d. An RO also found the surveillance system was not fully functioning.
 - i. 9 security cameras numbered 27, 28, 29, 30, 31, 35, 36, 37, and 38 were inoperable, and did not have any surveillance recordings saved from July 26, 2024, to the date of the inspection.
 - ii. 3 network video recorders (NVRs) numbered 2, 3, and 4 had incomplete surveillance recordings saved between July 14th, 15th, and 18th, respectively, to the date of the inspection.
- e. On August 8, 2024, the RA determined the surveillance system had been repaired, and the 632 mature plants had all been tagged.

Count I

Respondent's actions as described above in paragraphs d and e demonstrate a violation of Mich Admin Code R 420.209(5), which states in relevant part, a licensee shall have a video surveillance system with digital or network video recorders and cameras capable of meeting the recording requirements in this rule.

Count II

Respondent's actions as described above in paragraphs d and e demonstrate a violation of Mich Admin Code R 420.209(6)(a)(i), which states in relevant part, a licensee shall ensure the video surveillance system records any areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana business.

Count III

Respondent's actions as described above in paragraphs d and e demonstrate a violation of Mich Admin Code R 420.209(6)(a)(ii), which states in relevant part, a licensee shall ensure the video surveillance system records any limited access areas.

Count IV

Respondent's actions as described above in paragraphs d and e demonstrate a violation of Mich Admin Code R 420.209(6)(b), which states in relevant part, a licensee shall ensure the video surveillance system records images effectively in the surveillance areas.

Count V

Respondent's actions as described above in paragraphs d and e demonstrate a violation of Mich Admin Code R 420.209(9), which states in relevant part, a licensee shall have cameras that record when motion is detected at the marihuana business.

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Count VI

Respondent's actions as described above in paragraphs d and e demonstrate a violation of Mich Admin Code R 420.209(11), which states in relevant part, a licensee shall keep surveillance recordings for a minimum of 30 calendar days.

Count VII

Respondent's actions as described above in paragraphs d and e demonstrate a violation of Mich Admin Code R 420.209(12), which states in relevant part, surveillance recordings are subject to inspection by the agency and must be kept in a manner that allows the agency to view and obtain copies of the recordings immediately upon request.

Count VIII

Respondent's actions as described above in paragraphs a, b, and c, demonstrate a violation of Mich Admin Code, R 420.210(2) which states in relevant part, except for a designated consumption establishment or temporary marijuana event licensed under the MRTMA, a marijuana business must not have any marijuana product without a statewide monitoring system batch number, identification tag, or label.

Count IX

Respondent's actions described above in paragraphs a, b, and c, demonstrate a violation of Mich Admin Code, R 420.303(2) which states in relevant part, a cultivator shall tag each individual plant that is greater than 8 inches in height from the growing or cultivating medium with an individual plant tag and record the identification information in the statewide monitoring system.

Count X

Respondent's actions described above in paragraphs a, b, and c, demonstrate a violation of Mich Admin Code, R 420.303(3), which states in relevant part, a

cultivator shall separate the plants as they go through the different growth stages and ensure the plant tag is always identified with the plant throughout the growing cycle so that all plants can be easily identified and inspected. A cultivator shall ensure that identification information is recorded in the statewide monitoring system.

THEREFORE, based on the above, the CRA gives notice of its intent to impose fines and/or other sanctions against Respondent's license, which may include the suspension, revocation, restriction, and/or refusal to renew Respondent's license.

Under MCL 333.27407(4) and Mich Admin Code, R 420.704(2), any party aggrieved by an action of the CRA suspending, revoking, restricting, or refusing to renew a license, or imposing a fine, shall be given a hearing upon request. A request for a hearing must be submitted to the CRA in writing within 21 days after service of this complaint. Notice served by certified mail is considered complete on the business day following the date of the mailing.

Respondent also has the right to request a compliance conference under Mich Admin Code, R 420.704(1). A compliance conference is an informal meeting at which Respondent has the opportunity to discuss the allegations in this complaint and demonstrate compliance under the MMFLA and/or the administrative rules. A compliance conference request must be submitted to the CRA in writing.

Hearing and compliance conference requests must be submitted in writing by one of the following methods:

By Mail: Department of Licensing & Regulatory Affairs
 Cannabis Regulatory Agency
 P.O. Box 30205
 Lansing, Michigan 48909

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In Person: Department of Licensing & Regulatory Affairs
Cannabis Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

By Email: CRA-LegalHearings@michigan.gov

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter.

Questions about this complaint should be directed to the Cannabis Regulatory Agency at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 9/30/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2024.09.30
16:41:25 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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